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At a news conference Thursday, Chicago Transit Authority officials issued an ultimatum to the General Assembly: Cough up approximately \$83 million more for 2005 by Dec. 8--the next CTA board meeting--or there will be serious cuts in service come January.

CTA President Frank Kruesi has pushed for months for a reworking of the Regional Transportation Authority's tax-distribution formula for its three member agencies. He argues that the CTA carries far more passengers than its two suburban cousins and therefore should get a bigger piece of the RTA tax pie.

But the legislature this week slammed the door on more money and on an RTA reorganization this year. Indeed, to forestall any quickie moves in Springfield by the CTA, U.S. Rep. Mark Kirk (R-Ill.) initiated legislation that would transfer any federal funding from the CTA to Metra that the state legislature moved from Metra to the CTA. U.S. House Speaker Dennis Hastert (R-Ill.) supported Kirk's initiative.

Fortunately it didn't come to that, and the General Assembly was right not to act rashly. A hurried six-day veto session was not the right venue to reinvent the RTA's funding arrangement, which has been in place for 21 years.

Rather than threaten the legislature--and Chicago-area transit riders--Kruesi ought to explore a platter of options available to him. Some items will be hard to swallow, but if the crisis is as deep as he says, he has no choice.

The CTA's first option is to raise fares to \$2 a ride, the standard fare in many transit systems elsewhere. The CTA's sophisticated fare card system could rejigger the fares to include rush-hour surcharges, distance-based fares and other money-making adjustments.

You will hear the usual roar against fare hikes, but that alternative must be employed.

The CTA also could dip into its capital improvements fund--money already in the bank--to tide it over the current squeeze. That's admittedly not a great idea, but it should be used as a bridge to a funding and transit operations debate next year in Springfield.

Then there is privatization, a four-letter word to the CTA and its bevy of unions. CTA labor contracts stipulate there will be no privatization, outsourcing or any such newfangled notions.

Those contracts are under negotiation. Those privatization clauses need to go before the CTA makes any more noise--or threats--about funding. Other cities have experienced substantial savings by contracting out services.

Mayor Richard Daley suggested Thursday that the CTA be allowed to begin its year without a balanced budget. That would buy some time. We encourage the mayor to get more involved in advancing ideas regarding the CTA funding crisis. He knows better than anyone else which solutions will play best in Chicago and Springfield.

CTA management has adopted the phrase "gridlock budget" to describe what will happen if the agency doesn't get its way. Fact is, no more outside money is in the pipeline right now. The CTA needs to go back and think creatively about its short-term and long-term future.